

2016/2017

MAGARENG



MUNICIPALITY

DRAFT HIGH LEVEL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

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Introduction

A Service Delivery and Budget Implementation Plan, in terms of the Municipal Finance Management Act, is a detailed plan approved by the Mayor for implementing the municipality's delivery of municipal services and its annual budget.

It is informed by the Integrated Development Plan (IDP) and the Budget approved by Council on **31 May 2016** and seeks to, in detail, map out how the IDP priorities and objectives, through various departmental programmes, will be achieved.

The Service Delivery and Budget Implementation Plan (SDBIP) forms the basis on which Performance Agreements of the Municipal Manager and senior managers will be concluded and signed in terms of section 57 of the Municipal Systems Act.

The following will also be based on the Service Delivery and Budget Implementation Plan:

- Monthly Budget Statements to the Mayor and Provincial Treasury;
- Quarterly Reports on service delivery and the financial state of the municipality to Council;
- Half Yearly Performance Assessment Report to Council;
- Annual Performance Report.

CHAPTER 1: OVERVIEW OF THE SDBIP

The Service Deliver and Budget Implementation Plan(SDBIP) is a mechanism that ensures the proper alignment between the Municipality's Integrated Development Plan(IDP) and Budget. It is central to the monitoring and the evaluation of the performance of the Municipality in implementing its IDP and Budget. The IDP is the Municipality's five year principal strategic planning document. It ensures close co-ordination and integration between programmes and activities, both internally and externally, with other spheres of government. The IDP therefore ultimately enhances integrated service delivery and development. The IDP priorities inform all planning and budgeting processes. The SDBIP consists of a one year detailed performance plan, a three year capital works plan, as well as financial projections of income and expenditure. It outlines the Key performance indicators and targets linked to key performance areas derived from the IDP. Quarterly targets are identified in the SDBIP and these are monitored and reported upon accordingly.

The SDBIP comprises the two layers. The upper layer is the one that must be presented to the mayor for approval to council. The lower layer applies to directorates and forms basis of their performance plans and agreements. This layer consists of additional indicators that support the indicators in the upper layer. The lower layer is responsibilities of the Head of Departments who develop it in consultation with their staff.

1.1 . Legislative framework.

The Local Government: Municipal Finance Management 56 of 2003(MFMA) require municipalities to develop SDBIPs annually. In terms of section 53(1) (C)(II), the SDBIP is defined as a detailed plan approved by the mayor of a municipality for implementing that municipality's delivery of municipal services and its annual budget. It must indicate the following:

- (a) projections for each of the month of:
 - (i) revenue to be collected by source: and
 - (ii) operational and capital expenditure by vote
- (b) service delivery targets and performance indicators for each quarter and
- (c) other matters prescribed.

The Mayor of Magareng Local Municipality is required to approve the SDBIP within 28 days after the approval of the IDP and Budget and must be publicised within 14 working days after the approval by the mayor.

1.2 Reporting on the SDBIP

This section covers reporting on the SDBIP as a way of linking the SDBIP with the oversight and monitoring operations of the municipal administration. A series of reporting requirements are outlined in the MFMA. Both the Mayor and the accounting officer have clear roles to play in preparing and presenting these reports. The SDBIP provides an excellent basis for generating the reports for which MFMA outlines very clear outlines. The reports then allow the Councillors to monitor the implementation of service delivery programs and initiatives across the municipality.

1.3 Monthly Reporting

Section 71 of the MFMA stipulates that reporting on actual revenue targets and spending against the budget should occur on a monthly basis. This reporting must be conducted by the accounting officer of a municipality no later than 10 working days, after the end of each month. Reporting must include the following:

- i. actual revenue, per source;
- ii. actual borrowings;
- iii. actual expenditure, per vote;
- iv. actual capital expenditure, per vote;
- v. the amount of any allocations received

If necessary, explanation of the following must be included in the monthly reports:

- a) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote
- b) any material variances from the service delivery and budget implementation plan and;
- c) any remedial or corrective steps taken or to be taken to ensure that the projected revenue and expenditure remain within the municipalities approved budget

1.4 Quarterly Reporting

Section 52 (d) of the MFMA compels the mayor to submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality within 30 days of the end of each quarter. The quarterly performance projections captured in the SDBIP form the basis for the mayor's quarterly report.

2.3 Mid-year Reporting

Section 72 (1) (a) of the MFMA outlines the requirements for mid-year reporting. The accounting officer is required by the 25th January of each year to assess the performance of the municipality during the first half of the year taking into account –

- (i) the monthly statements referred to in section 71 of the first half of the year
- (ii) the municipalities service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
- (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
- (iv) The performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities.

Based on the outcomes of the mid-year budget and performance assessment report, an adjustments budget may be tabled if actual revenue or expenditure amounts are materially different from the projections contained in the budget or the SDBIP.

The SDBIP is also a living document and may be modified based on the mid-year performance review. Thus the SDBIP remains a kind of contract that holds the municipality accountable to the community.

CHAPTER 2: BRIEF OVERVIEW OF THE MUNICIPALITY

2.1 Location

Magareng Municipality is situated in the Northern Cape Province and lies within the boundaries of the Frances Baard District Municipality. It is one of the five (5) local municipalities within the district and accommodates almost 7% of the district population.

Warrenton, the administrative centre of Magareng Municipality, is situated approximately 75 km north of Kimberley on the banks of the Vaal River. The N12 national road between Kimberley and Christiana as well as the N18 route to Vryburg passes through the centre of Warrenton. The Railway line, that connects Gauteng with the Northern and Western Cape Province, runs through Magareng Municipality with a railway stations at Warrenton and Windsorton. The railway line also connects the Northern Cape and North West Province.

The municipal area comprises an urban node, villages and farms. The urban node consists of Warrenton, Warrenvale and Ikhutseng while small agricultural villages have been establish throughout the municipal area of which Bullhill, Fourteen Streams, Sydney's Hope, Windsorton Station, Moleko's Farm, Nazareth and Hartsvallei Farms are the most prominent. The rest of the area comprises mainly mixed farming.

The area of jurisdiction is approximately 1542 km² in extent and accommodates approximately 24,042 people (*Stats SA – 2011 Census Results*). 72% of the total population is Black, 17, 5% Coloured while the White population represents only 10% of the total population. The Indian and Asian population is insignificantly small to impact on the proportional representation.

The municipal area is divided into **5 wards**. Wards 1 to 3 constitute Ikhutseng, the former Black residential area, while Warrenvale, the former Coloured residential area constitutes Ward 4. Ward 5 is made up of Warrenton town, which was previously an exclusively White area, and the surrounding rural areas.

2.2 Municipal Mandate and Municipal Strategic Focus Area

The mandate of the municipality, as contained in section 152 of the Constitution also serves as the municipal strategic focus areas,

- To provide democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment;
- To encourage the involvement of communities and community organisations in the matters of local government.

These policy statements guide the formulation and implementation of the integrated development plan and therefore every decision and action of the municipality.

2.3 Municipal Political & Administrative Structures

2.3.1 Political structure of council

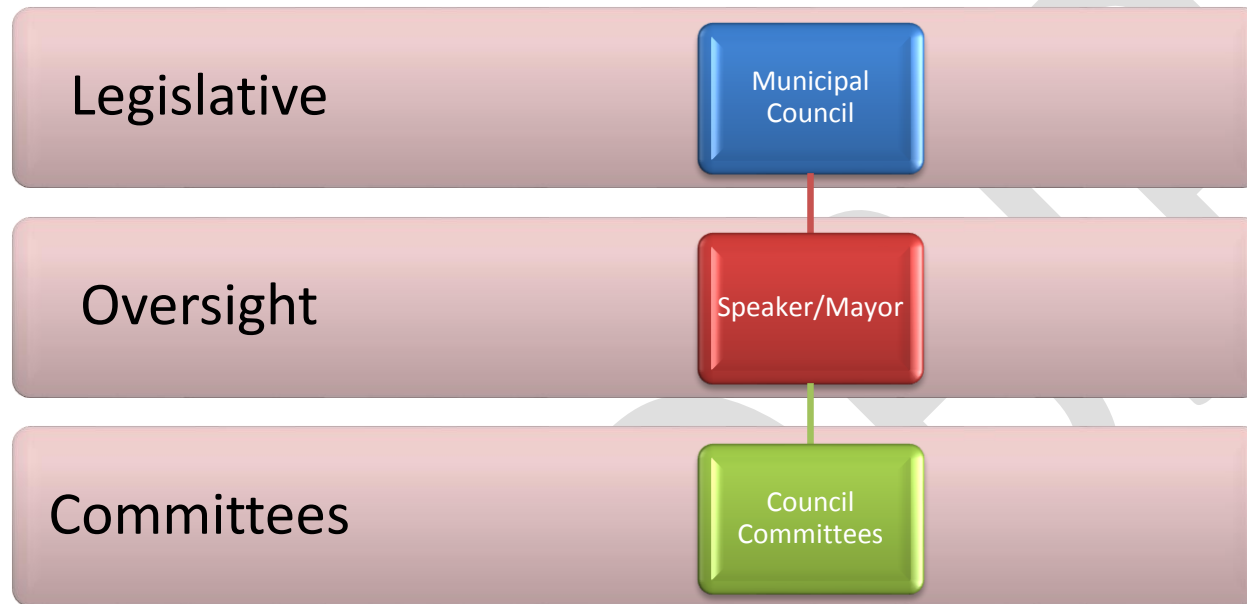
The political structures and political office bearers of Magareng Local Municipality are the following:

- Council presided over by the Speaker; who is also the Mayor in accordance with provisions for the Plenary Executive System in terms of the Structures Act
- Ward Councillors
- Councillor representing political parties in terms of our proportional system

The Mayor has established the following committees in terms of Section 79 of the Local Government: Municipal Structures Act No. 117 of 1998:

- Budget & Treasury
- Corporate Support Services
- Technical & Development Planning Services
- Community Development Services

Figure 1: Political Structure

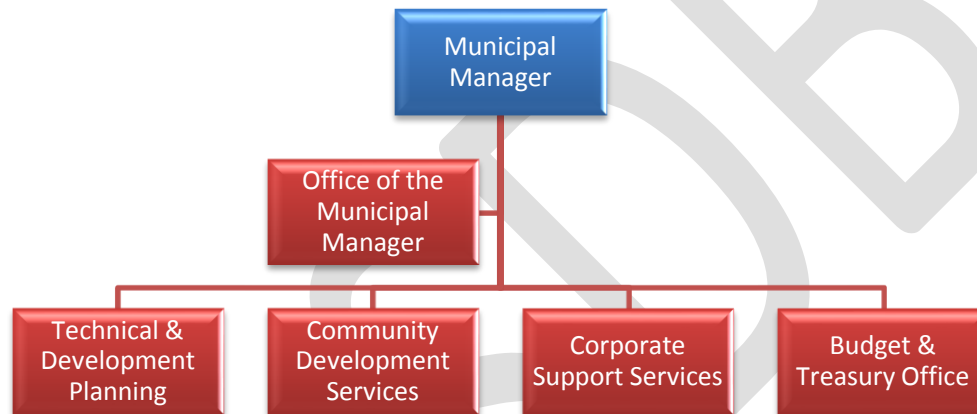


2.3.2 Administrative Structures

The municipality has the following administrative structures:

- The Office of the Municipal Manager;
- Department of Corporate Services;
- Department of Budget and Treasury;
- Department of Technical & Development Planning;
- Department of Community Development Services.

Figure 2: Administrative Structure



Chapter 3. Consolidated Service Delivery and Budget Implementation Plan(SDBIP)

SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN

HIGH-LEVEL SERVICE DELIVERY BREAKDOWN

1: Institutional Transformation and Organisational Development

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS (KPI's)	Baseline	Annual	Measure	Verification	Budget	Quarterly Projections			
Corporate Goal	Corporate Objective	30/06/2016	2016/17	Unit	PoE		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Sub-KPA 1.1 Provide file and archiving services	Number of reports on the registry and archiving function	4	4	Number of reports	Quarterly Reports received	Operational	1	1	1	1
Sub-KPA 1.2 Provide Occupational Health and Safety	Number of meetings of the OHS Committee held	4	4	Number of meeting held	Minutes	Operational	1	1	1	1
	Number of Site Inspections conducted	4	4	Number of site inspections held	Inspection reports	Operational	1	1	1	1
Sub-KPA 1.3: Human Resource Development	Number of Recruitment and Selection Reports	2	2	Percentage compliance	Recruitment and Selection Reports	Operational	-	1	-	1
	Percentage expenditure on training budget	4	4	Percentage compliance	Quarterly reports	Operational	25%	50%	70%	100%

Sub-KPA 1.4: Information Communication Technology. ICT	Number of ICT reports	12	12	Number of ICT reports	Number of ICT reports	Operational	3	3	3	3
Sub-KPA 1.5. support to council	Number of council committee sitting	3	16	Quarterly committee and council meetings	Minutes of council committees	Operational	4	4	4	4
	Number of Ordinary Council meetings per year	4	4	Number of meetings held	Minutes	Operational	1	1	1	1
Sub KPA 1.6 Provide legal services	Decrease in the number of litigations against the municipality	2	0	Litigations defended	Quarterly reports	Operational	-	1		0
Sub KPA 1.7 Provide Customer Care Services	Reports on handling of customer complaints	4	4	Number of Reports	Quarterly Reports	Operational	1	1	1	1
Sub KPA 1.8. Performance Management system	Percentage compliance with a PMS framework	0	100	Percentage of compliance	Quarterly reports	Operational	100	100	100	100

2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS (KPI's)	Baseline	Annual Target	Measure	Verification	Budget	Quarterly Projections			
Corporate Goal	Corporate Objective	30/06/2016	2016/17	Unit	PoE		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Sub-KPA 1.1 Provide Water and Sanitation	Expenditure of Accelerated Community Infrastructure Programme funds(ACIP)	1	100% Expenditure by March 2017	Percentage Expenditure	Status reports	4.7mil	Appoint the contractor	Expenditure 50%	Expenditure 100%	-
	Upgrading Water treatment plant in Warrenton	1	35% completion by June 2017	Percentage Expenditure	Status reports	25.28mil	Appoint the contractor	10% completion	20% completion	35% completion
	Water Services Development Plan(WSDP)Review	1	Approved plan	Council adopted plan	WSDP	Operational	Consultation	Consultation	Complete the draft	Council adopt the draft
	Maintenance of Sewer pump stations	Operational	Project 100% complete	Percentage Expenditure	Status reports	300 000	Complete terms of references	Appoint a contractor	50%	Expenditure 100%

	Water Supply in Warrenton	0	100% expenditure	Percentage Expenditure	Status Report	10 000 000	Expenditure 10%	Expenditure 35%	Expenditure 75%	Expenditure 100%
	Improvement on Green Drop Status (Waste Water Treatment Plant Effluent canal)	6	60% compliance	Improved green drop status	DWS assessment outcome	400 000	Complete terms of references	Appoint a contractor	Expenditure 50%	Expenditure 100%
	Sewer Reticulation at the station area	1	Project 100% completed	Percentage expenditure on sewer reticulation	reports	1000000	Recruitment of labour	25% completion	75% completion	100% completion
Sub-KPA 1.2 Roads	Kilometres of roads repaired	12 Km	6 km	Percentage expenditure on roads repaired	Reports	350 000	Complete recruitment of labour	2km	4km	6km
Sub-KPA 1.3 Electricity supply	Refurbishment of existing electricity infrastructure	15% complete	To complete Phase2	Percentage on progress	reports	3.0mil	50% complete	100% complete	Report to Department of Energy	-

	Audit, Replacement of faulty meter and bypassed meters to curb electricity losses	250	500	Number of meter installed	Report	800 000	Appoint the contractor	complete audit and reporting process	Commence with installation	Complete installation
	Repairs of High mast lights	15	10	Number of repaired high mast lights	report	250 000	Complete terms of reference	Appoint the contractor	Expenditure 50%	Expenditure of 100%
Sub-KPA 1.3: Supplies	Supply and delivery of Electricity materials and equipments	0	100% Expenditure	Material delivered	report	200 000	-	Appoint the contractor	Expenditure 100%	-
	Supply and delivery of Water and Sanitation materials and equipments	0	100% Expenditure	Material delivered	report	200 000	Complete terms of references	Appoint the contractor	Expenditure 100%	-
Sub-KPA 1.4: Provide Community Facilities	Review of a solid waste management plan	1	1			Operational	Gather information	Gather information	Appoint consultant	Submit business plan for possible funding
Sub-KPA 1.5. Sports Facilities	Developing business plans for Upgrading of Sports facilities	0	Business plan for three sports	Business plan completed	report	Operational	Appoint consultant at risk to draft BPs	Submit Business Plan for funding	-	-

			facilities							
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3: Community Services

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS (KPI's)	Baseline	Annual	Measure	Verification	Budget	Quarterly Projections			
Corporate Goal	Corporate Objective	30/06/2017	2016/17	Unit	PoE		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
SUB KPA 3.1. <i>Intensified support and development of leading and emerging Economic Sectors</i> <i>Local Economic Development</i>	Adoption of LED strategy	Draft	1	Approved strategy	Quarterly report	Operational	Present draft to LD forum	Present draft & LED forum recommendations to management	Present to Council committee	Table to council
	Number of Co-operative registrations in leading and emerging Economic Sectors	12	8	Number of Co-operatives registered	Co-operatives Certificates	Operational	2	4	6	8
	Economic Stakeholders engagement through LED Forum	1	4	Number of reports	Quarterly reports	operational	1	1	1	1
	Number of sector development workshops to be conducted in 2016/17	5	4	No of workshops conducted	Quarterly reports	Operational	1	1	1	1

<i>Tourism</i>	Reports of LED initiatives	4	4	Functional LED projects	Quarterly Reports	Operational	1	1	1	1
	Reports of Tourism initiatives	12	12	Functional LED projects	Monthly Reports	Operational	3	3	3	3
<i>Parks and Recreation</i>	Number of reports on Parks and recreation	12	12	Number of reports	Monthly Reports	Operational	1	1	1	1
<i>Traffic Services</i>	Number of reports on Traffic management services	0	12	Number of reports	Reports	Operational	3	3	3	3

4. Good Governance and Public Participation

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS (KPI's)	Baseline	Annual	Measure	Verification	Budget	Quarterly Projections			
Corporate Goal	Corporate Objective	30/06/2016	2016/17	Unit	PoE		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Sub KPA: 4.1 Broaden/deepen local democracy	Promote Community participation	2	2	No of Batho pele & moral regeneration programmes to be held	Attendance register & programme	-	1	-	1	-
		4	4	No of imbizo to be held	Attendance register & programme	-	1	1	1	1
		1		No of local govt lekgotla's to be held	Attendance register & programme	-	1	-	-	-
	Number of initiatives on special programmes	7	4	No of gender & senior	Attendance register & programme	-	1	1	1	1

				citizen programmes						
	Number of functional ward committees	5	5	Number of meetings	Minutes and attending register	-	15	15	15	15
	Number of initiatives on special programmes	7	4	No of gender & senior citizen programmes	Attendance register & programme	-	1	1	1	1
	Number of functional ward committees	5	5	Number of meetings	Minutes and attending register	-	15	15	15	15
Good governance	Number of oversight reports	2	4	No of oversight reports	MPAC reports		1	-	-	1

	Deepening democracy	12	12	No of ward committee training sessions	Requisition form & attendance register	Operational	3	3	3	3
Sub-KPA 4.2: Promote institutional governance and Performance Management	Number of quarterly performance reviews	New	4 feedback sessions conducted by June 2017	Quarterly performance report	reports	-	1	1	1	1
	Performance of Ward Councillors	New	4 quarterly meetings per ward councillor	Quarterly community meetings	Minutes and attending register	-	5	5	5	5
Sub-KPA 4.3. Percentage expenditure on the budget	Expenditure of the special programmes budget	0	100%	Expenditure report	report	50 000	25%	50%	75%	100%
Sub-KPA 4.4. Communication.	Number of reports on back to basics	4	12		Monthly reports	Operational	3	3	3	3

SDBP

5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATOR	Baseline	Annual	Measure	Verification	Budget	Quarterly Projections			
Corporate Goal	Corporate Objective	30/06/2016	2016/17	Unit	PoE		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Timeous submission of the 2015/2016 Annual financial Statements to the Office of the Auditor General	Submitted 2014/15 AFS	31 August 2016	AFS 2015/16	AFS signed off by the Office of the AG	R600 000	Submission by 31 August	Attend to auditing	Finalise an audit action plan	Implementation of the audit action plan
	Number of Section 71 (MBS) Reports submitted to treasury on time	12	12	Number of reports submitted by due date	Copies of reports signed off by the Mayor	Operational	3	3	3	3
	Number of Section 52 Reports submitted to treasury on time	4	4	Number of reports submitted by due date	Copies of reports signed off by the Mayor	Operational	1	1	1	1
	Section 72 Report submitted to treasury on time	1	1	Report submitted by due date	Copy of a report signed off by the Mayor	Operational	-	1	-	-
	Timeous adoption of the Adjustment Budget of 2016/2017 Approved by Council	2015/16 Adjustment budget approved	Adjustment budget completed by January 2017	Performance review and adjustment budget	Copy of budget and council resolution	Operational	-	-	Approved by 31 January 2017	-
	Percentage compliance with the legislative requirements for a sound supply chain management system	0	100%	% of compliance	Monthly/Quarterly reports	Operational	100%	100%	100%	100%
	Percentage expenditure on the annual budget	0	100%	% of compliance	Monthly/Quarterly reports	R179mil	25%	50%	75%	100%
	Percentage compliance	0	100%	% of	Quarterly reports	R2mil	25%	50%	75%	100%

	to mSCOA			compliance						
	Percentage (%) collection of revenue achieved by the end of the financial year	40%	60%	% of collection	Cash Flow indicating increase	Operationa l	45%	50%	55%	60%
	Timeous adoption of the 2017/18 Municipal Budget	2016/17 Budget was adopted on time	Budget Approval by 31 May 2017	Approved budget 2017/18	Council resolutions	Operationa l	Budget and IDP Process Plan Adopted	-	Tabling by 30 March 2017	Approved by 31 May 2017
	Number of reports on Asset management	0	4	No. of reports	Quarterly reports	Operationa l	1	1	1	1

Submitted by the Accounting Officer

MR M.L MOKOENA _____

DATE _____

APPROVED BY THE MAYOR

COUNCILLOR EG MANOPOLE _____ **DATE** _____

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